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SPECIAL SUPPLEMENT

A Vision of the Future

HUDSON VALLEY VISIONARIES:

A LOOK INTO THE FUTURE OF COMMERCIAL REAL ESTATE

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HUDSON VALLEY

ECONOMIC DEVELOPMENT CORPORATION

R.E. Conference Tackled the Challenges Ahead For Hudson Valley Commercial Real Estate Market

By John Jordan

POUGHKEEPSIE—A panel of Hudson Valley "real estate visionaries" detailed the many demographic, technological and economic changes that are taking place now and are on the horizon for the commercial real estate industry in the region at a conference on April 12 staged by the Hudson Valley Economic Development Corp. and the Hudson Gateway Association of Realtors.

The presentation entitled "Hudson Valley Visionaries: A Look into the Future of Commercial Real Estate" was held at the Nelly Goletti Theatre at Marist College. The program tackled such issues as emerging technologies, evolving tenant need and wants, how communities can attract new business and development and what future office space might look like.

Laurence P. Gottlieb, president and CEO of the Hudson Valley Economic Development Corp. and Richard Haggerty, CEO of the Hudson Gateway Association of Realtors, moderated the panel discussion. The panel featured an array of corporate and real estate development and brokerage professionals that included: Seth Pinsky, executive vice president, fund manager, Metro Emerging Markets and public affairs director, RXR Realty; Robert Weisz, CEO, RPW Group; Sarah Jones-Maturo, president, RM Friedland; Luiz Aragon, development commissioner, City of New Rochelle; Tim Smith, regional vice president, Crown Castle Fiber; Anthony Gioffre III, partner and chair of land use, zoning and development group, Cuddy & Feder LLP, and Frank Cuevas, vice president, real estate strategy & operations, IBM.

Weisz, who successfully redeveloped the former General Foods/Philip Morris headquarters building in Rye Brook, said the Hudson Valley commercial real estate market is definitely changing. "I think that when we look back many years from now, we are going to see this stage of the economy, particularly from a real estate point of view, as one of the key transitions that changed the environment dramatically," he said.

One significant change in the past few years has been the modification of the tried and true real estate axiom, "Location, location, location" to "Location, service, service." Weisz said that in years to come the saying might just be, "Service, service, service."

While location is still an important consideration of any real estate deal, Weisz said that most companies are now employing a strategy of being located where they can access the best talent.

Cuddy & Feder's Gioffre said that real estate development is definitely changing. "The only way to make sense out of change is to plunge into it, to move with it and to dance with it," he advised.

He noted that technology can be a "disruptor" and specifically pointed to social media as a means for a small group of opponents to look to derail a real estate development project in the approval process. However, he said not all technological changes on the horizon are negative, such as autonomous vehicles, the future headquarters location of Amazon, Uber, etc. He concluded that local governments, the general public, as well as real estate developers, need to be ready to adapt to these changes that are coming fast.

Like others on the panel, Gioffre said that municipalities must update their comprehensive plans and not engage in band-aid changes to its zoning laws that are mostly instituted in response to a single project before them.

Gioffre said that local governments must look to make the necessary changes to transform their commercial districts into live, work, play destinations that are attractive to millennials and other key demographics.

RXR's Pinsky discussed his firm's development projects in New Rochelle, Yonkers and on Long Island and offered particular praise to officials with the City of New Rochelle that instituted significant changes to its downtown zoning that has led to expedited approvals for major redevelopment projects.

For municipalities to succeed in attracting business and the highly sought-after millennial demographic, "The key is to create, walkable, transit-accessible neighborhoods with character," Pinsky said. The mix of uses in these neighborhoods should be designed to retain the empty-nester population, which is an important talent base for many companies, as well as attract millennials and young professionals, he added.

HGAR President and CEO Laurence Gottlieb moderated the Hudson Valley Visionaries panel discussion.

"The key to success is maintaining and growing the talent base and if you do that the companies will follow," Pinksy related.

IBM's Cuevas said the real estate industry has to date not really evolved or changed dramatically in response to the technological disruptions already taking place both here in the U.S. and across the globe. He believes that municipalities and developers need to create a much different suburban lifestyle that attracts and appeals to the new generation.

"Technology is going to impact everything from smart cities, smart communities, smart buildings," he said. "Landlords are going to have to change how they operate buildings and facilities. Developers have to change the way they think about developing a property in many different respects."

Cuevas and others differed on whether companies continue to want open concepts or now require more of a hybrid design that incorporates some enclosed conventional offices with collaborative open space.

"I think the real estate industry is about to see a tremendous amount of change over the next 10 years," he predicted.

HGAR's Haggerty said the panel provided a great deal of perspective and insight into the changes that are coming in the real estate sector. "We have been seeing change. It seems like it's happening quickly, but it's nothing like what I anticipate over the next five years. We are really going to see a lot of change and we can't afford to debate forever. We have got to adapt and we have got to act," he said.

Key Takeaways From HV Visionaries Conference

By John Jordan

POUGHKEEPSIE—The recent "Hudson Valley Visionaries: A Look into the Future of Commercial Real Estate" conference covered a gamut of groundbreaking topics and interesting and salient viewpoints from the expert panel.

The following are some further comments/issues raised by the real estate "visionaries."

Developer Robert Weisz discussed some interesting trends in terms of tenant requirements, including a rather new concept—"the nap room," which would offer space for workers to rest to deal with a long work day or to just provide some down time to foster creativity.

"One of the characteristics of the market now is high density," he said, noting that in the past companies designed space for three or four employees for every 1,000 square feet. Today, they now seek to accommodate, five, six or more workers in that same 1,000-square-foot blueprint.

Weisz said the typical office space in his firm's three-million-square-foot portfolio consists of open design with a few conference rooms and several enclosed offices. Building owners are finding it easier to lease vacant space now that office designs are becoming more standard, he noted.

Another emerging trend is that businesses are now seeking shorter-term leases, usually between three to five years to give themselves more flexibility. The conventional 10-year lease deal is no longer commonplace.

IBM's Frank Cuevas said that today's office design is now geared much more towards fostering collaborative workspaces than less expansive individual executive office suites that were prevalent in the past.

"If we designed something new today, it looks entirely different, feels entirely different (than what was designed in the past). I do feel the pendulum has swung a little bit too far in terms of companies going to an open plan."

He said some companies' decisions to go with an open space design were driven to lower costs and increase density. However, he added, "The reality is that is not the way people work, not entirely. Today, we really have different vignettes or settings where they would have living room settings, playroom settings and desk settings. All these different settings are ways in which people work depending on what they do for that role or what they are doing that particular day for that particular role."

RM Friedland's Sarah Jones-Maturo offered a frank view on the retail market in the Hudson Valley. She said that while conventional, bricks and mortar retail is struggling mightily, "experiential retail" is thriving in the Hudson Valley.

"Boutique fitness right now is a major craze," she said. "We have done about five deals in the past 60 days with boutique fitness companies." She said that while fitness retailers, as well as hair and nail salons are growing in the region, technology, apps or home service-related concerns could impact these niche industries in the future.

"What I see surviving and absolutely thriving is the food experience," Jones-Maturo said, noting that there have been 25 food hall-related locations that have opened in Manhattan in the past three years and all have been successful. "I think the food experience is the future of retail," she said.

In terms of the industrial market, Jones-Maturo said companies are looking for space throughout the region, noting that Jet.com recently signed a lease deal for a 250,000-square-foot warehouse in the Bronx. She said that the Hudson Valley could position itself in the future in some areas to develop new industrial space that would be attractive to e-commerce retailers, noting that much of the existing industrial product is not suitable for such users.

She said that in the lower Hudson Valley, new industrial development is not feasible as compared to other potential uses at this time.

"We are still not yet at a point, Westchester specifically, where the industrial numbers have exceeded the retail," she said. "We were working with a developer recently on some land that they own and they were looking to build industrial because there is a great play for it, but the numbers just don't pencil to do new construction when you are getting $20-a-square-foot max."

Hudson Valley Visionaries Conference, April 12, 2018

Richard Haggerty, HGAR CEO

Marist College Executive Vice President Geoffrey L. Brackett

Larry Gottlieb, Hudson Valley Economic Development Corp., CEO

From left, Ron Garafalo, HGAR President-Elect; Cindy Schweizer; Ann Garti, HGAR COO, and Barry Kramer, HGAR President

From left, Barry Kramer, HGAR President; Richard Haggerty, HGAR CEO; Tim Smith, regional vice president, Crown Castle Fiber; ; Sarah Jones-Maturo, President, RM Friedland; Robert Weisz, CEO, RPW Group; Larry Gottlieb, Hudson Valley Economic Development Corp, CEO; and Marist College Executive Vice President Geoffrey L. Brackett

From left, John Barrett, HGAR's CID President; Maureen Halahan, Orange County Partnership President and CEO, and commercial broker Jerry Gershner

The HV Visionaries Conference attracted more than 350 people from the Hudson Valley.

Hudson Valley Visionaries Conference Sponsors

A Conversation With: HVEDC President & CEO Laurence P. Gottlieb

By John Jordan

Real Estate In-Depth recently sat down with Laurence P. Gottlieb, president and CEO of the Hudson Valley Economic Development Corporation based in Goshen, to discuss the key strengths of the Hudson Valley region in advance of the "Hudson Valley Visionaries: A Look into the Future of Commercial Real Estate" conference on April 12. The conference was sponsored by HVEDC and the Hudson Gateway Association of Realtors.

The HVEDC is a regional economic development organization whose market area includes: Westchester, Rockland, Putnam, Orange, Ulster, Dutchess and Sullivan counties.

Gottlieb is a veteran economic development specialist. Before joining HVEDC in February 2013, Gottlieb had amassed 25 years of experience as a senior advisor to CEOs, government leaders and non-profit executives. In his last position as Director of Economic Development for Westchester County, Gottlieb was responsible for nearly $500 million in new business expansion and attraction projects, working with high-profile firms including: PepsiCo, IBM, Atlas Air, Dannon, Sabra Dipping, Acorda Therapeutics, OrthoNet, Regeneron and Lifetime Fitness.

Real Estate In-Depth: The conference HVEDC and HGAR are co-sponsoring is entitled "Hudson Valley Visionaries: A Look into the Future of Commercial Real Estate." What are you hoping to accomplish at this conference?

Gottlieb: Most of the time when discussions are held about real estate it is usually on a local level, sometimes on a regional level, but the discussion tends to be more of a forecast of the current year versus where are all the trend lines are moving toward. What do we think the future is going to look like? So, smart investors always look out 10 to 20 years and try to read the tea leaves to figure out where all these disconnected pieces are heading. So the purpose of this event is to try and read the tea leaves using a diverse group of experts that bring different insights to the table.

So, we have someone who deals a lot in digital infrastructure, which is never part of the discussion and something that I think should be. We have folks who have tremendous experience in real estate development. We have folks who are currently out in the marketplace and seeing a different generational view of what the needs are. We have somebody who has expertise in city planning, so we have kind of the urban perspective versus the suburban-office park perspective, as well as individuals who have experience mixing residential, commercial and retail. We are trying to take all these different pieces and bring them together to hopefully have a meaningful dialogue to give the attendees some insights into if you are going to be spending dollars; if you are going to be building out infrastructure from a government perspective; if you are looking for investment; here are some experts that are hopefully going to give us some form of cohesive vision of where we see the Hudson Valley commercial real estate market going in the next 10 to 20 years.

Real Estate In-Depth: What are some of the trends and issues that you believe will have the most impact on the Hudson Valley economy in the years to come?

Gottlieb: Well, clearly the economy is going through a very, very difficult transition as everything becomes digitized and the handling of information is at a premium. So the question becomes are we really moving away from manufacturing to a point where the vast majority of people in the Hudson Valley will be more readily engaged in services, health care, dealing with information, which is very different than what we had in New York State in the past, which was a very heavy industrial base? So, are we moving further and further away from that to the point where we have to take a hard look at the way our government is set up, the way our infrastructure is set up and the way our transportation is set up? So that is a piece of it. Automation, artificial intelligence and the use of autonomous vehicles I think are going to have potentially the biggest impact in terms of redefining when we build an office campus are we going to still need parking? Will anybody be actually parking vehicles or will it just be vehicles on demand?

Editor's Note: Gottlieb also questioned how building owners will accommodate for the use of drones and will green technology, sustainability be larger issues that must be dealt with in terms of development? Another key factor for building owners to consider is the need for developers to build flexible space and just what will the offices of the future look like, he added.

Real Estate In-Depth: What does the Hudson Valley have to do to prepare for these technological, socioeconomic and demographic changes that are on the horizon?

Gottlieb: I always felt it is similar to a 12-step process. The first part of the classic 12-step process is admitting there is a problem and that there is a challenge. And so, part of the reason HVEDC does these kind of forums is to challenge held-beliefs by a fair number of government officials or business executives, or the media or academicians as to where the market is now and what their beliefs are concerning where we are headed because you can't get real change and real investment until mindsets are changed.

So, the first step is not being shovel-ready, it is being business-ready. It is being attitude-ready. It is being change-ready so that you say transit-oriented design is really the way to go or are we really going to have to take a much harder look at our suburban campuses and say, "How do we make this piece of property as valuable as possible to the most number of people?

Editor's Note: Gottlieb said government officials and building landlords must adapt to what was once a reliance on a major company that employed thousands to accommodate smaller companies and other uses. He also stressed the need for investment in digital infrastructure to also be at least part of the debate that now exists for the massive need for funding of conventional transportation and water infrastructure.

Gottlieb quipped "In fact we have a lot of potholes in our digital infrastructure and yet we don't talk about the replacement of that and the upgrading of digital as much as we do the need for traditional infrastructure."

Ginsburg-Robert Martin Team Up to Redevelop Key White Plains Property Near Metro-North Train Station

By John Jordan

WHITE PLAINS—Two veteran Westchester County developers—Martin Ginsburg and Robert Weinberg—pioneers and icons in their respective sectors are teaming up on a project that can finally provide a gateway to Downtown White Plains by the White Plains Train station.

The two developers are embarking on a redevelopment of a more than 500,00-square-foot office complex in Downtown White Plains that will convert a portion of the existing office space to luxury rental apartments.

Entities affiliated with the principals of Ginsburg Development Companies of Valhalla and Robert Martin Co. of Elmsford, acquired the Westchester Financial Center, a three-building, 571,000-square-foot office complex from Mack-Cali Realty Corp. for $83 million. The Westchester Financial Center was built in the mid-1980s by Robert Martin Co. as a three-building complex. The property was acquired in 1997 by the Cali Realty Corp. as part of its acquisition of the Robert Martin Co. Cali was later acquired by Mack Co. and subsequently operates as Mack-Cali Realty.

Martin Ginsburg, founder and principal of Ginsburg Development, said the new ownership plans to spend millions of dollars in the conversion of a portion of the office space to luxury rental apartments as well as the introduction of retail space and a host of new amenities at the property. The three-building complex will be renamed City Square.

The Westchester Financial Center includes 50 Main St. a 15-story, 309,000-square-foot office building and 1-11 Martin Ave., an attached-two building, 14-story, 262,000-square-foot complex that formerly housed Pace University's graduate programs. Ginsburg said that while the 50 Main St. property will continue to operate as an office building, at least six floors of the former Pace University space at 1-11 Martin Ave. will be converted from office to rental apartments and each building will feature its own new lobby and elevator banks.

The complex encompasses an entire city block across the street from the White Plains Metro-North train station, which is currently undergoing a $94-million improvement project.

Ginsburg Development acquired the adjoining 124-unit, 12-story rental apartment building at 25 Martine Ave. in February 2017 from the DSF Group for $35.25 million. The property is now known as The Metro.

Ginsburg said the redevelopment would likely involve the addition of between 150 to 175 residential units. The redeveloped complex will retain approximately 400,000 square feet of the existing office space. Plans are being finalized and will be presented to the City of White Plains for approval.

"I have always admired this important gateway complex and so we are thrilled to be working with Robert Martin Co. and its founder Bob Weinberg on this exciting project that will reinvent these iconic buildings as a key component of the new 24-hour live-work-play environment envisioned by the City of White Plains at its gateway and train station," said Ginsburg.

"The tenants and office brokers are all very excited about what's going to be happening at 50 Main and 1-11 Martine. It's going to be very special," Weinberg said.

Improvements planned at 50 Main St. include a new lobby and an entire floor of amenities—a fitness center, yoga studio, game room, lounge and business center. The café will be renovated and expanded to have indoor and outdoor dining. The lobby will be extended, and new art and sculpture displays will also be added.

The new ownership of the Westchester Financial Center hopes to convert a portion of the property from office to residential use.

The complex also features a two-acre central court. Ginsburg noted the redevelopment will enhance the central court with a quarter-mile "walk-around," a water feature and sculptures. The central court that will be restricted for tenant and residents use will also offer a host of gathering places, such as an outdoor lounge and sun deck. The garage will also be upgraded with new lighting and signage.

"Projects such as City Square align with the goals of the White Plains Transit District Strategic Plan, including activating the street with retail and restaurants, new residential units, improved pedestrian experience, placemaking, and proximity to mass transit. I am pleased to see it moving forward," stated White Plains Mayor Tom Roach.

"We really want to make this special both inside and out," Ginsburg said. "It is very important to us and to the city that this unique opportunity to create a special gateway place not be lost. I am very aware that the opportunity to make this pedestrian-friendly and active the street here on this key block is very important to the whole vision that White Plains is trying to achieve."

Craft Brewing Industry's Growth Continues in Hudson Valley

By John Jordan

MIDDLETOWN—The craft brewing industry in the Hudson Valley and New York State for that matter has become a true economic engine.

From what was a small niche sector six years ago, New York State and the Hudson Valley have seen exponential growth from this burgeoning sector. In March, Gov. Andrew Cuomo stated the number of craft beverage manufacturers holding a farm-based license had grown by more than 150% since the first Beer, Wine, Spirits and Cider Summit conducted by New York State in 2012. The same year, Gov. Cuomo implemented legislative and regulatory reforms to promote the state's craft beverage businesses. Since then, 433 new farm-based craft beverage licenses have been issued.

According to the latest New York State figures, the Mid Hudson Valley as of March 2018 boasted 106 farm wineries, distilleries, cideries and breweries of the 715 establishments statewide.

Recent craft brewing related news in the Hudson Valley has included the expansion of a City of Middletown craft brewery in its downtown district and the development of the first Japanese sake brewery establishment near the Culinary Institute of America in Hyde Park in Dutchess County.

"New York's craft beverage industry is booming, and by cutting red tape to industry development, we have seen significant growth in the number of manufacturers supporting our local farms and spurring job creation across the Empire State," Gov. Cuomo said. The New York State Brewers Association, which represents New York State breweries, microbreweries, farm breweries, brewpubs and brewing affiliated businesses, stated that the growth of the Craft Beer segment continues to be strong and

Dr. Tim Ryan, president of The Culinary Institute of America (center), shares a sake toast with Chairman Hiroshi Sakurai (right) and President Kazuhiro Sakurai of Asahi Shuzo to celebrate a new agreement between the CIA and the Japanese sake producer. Asahi Shuzo will build its first U.S. sake brewery near the CIA campus in Hyde Park. PHOTO CREDIT: CIA/PHIL MANSFIELD

New York State's share of that growth has exceeded that of breweries on the national level.

According to the association's website, the number of New York State breweries grew from 95 in 2012 to 320 in 2016. New York State craft beer is currently ranked fourth in the country with an economic impact of $4 billion. New York State craft breweries increased production by 26% from 557,436 in 2011 to 1,089,536 barrels in 2016, according to the association.

New York State now ranks in the top five in the U.S. for its number of craft beverage producers in every category. The state ranks first in the U.S. for the number of hard cider producers, second for the number of craft distillers, fourth in the country for the total number of wineries and third in the country for the total number of breweries.

In response to the industry's tremendous growth, the Hudson Valley Economic Development Corp. staged its first Beer, Wine, Spirits & Cider Summit in October 2013. The annual event has grown to be one the largest events of its kind in New York State, drawing a crowd of more than 500. It is a collaborative effort among HVEDC, The Culinary Institute of America and the state—through its Taste NY initiative. In 2016, the Beer, Wine, Spirits & Cider Summit was selected by the International Economic Development Council as a Bronze Award Recipient in the category of Entrepreneurship for Population Centers Greater than 500,000. This year's Beer, Wine, Spirits & Cider Summit will be held on Oct. 11 at the Culinary Institute of America.

On April 3, the City of Middletown reported that Equilibrium Brewery was expanding its operations and would be purchasing the former TD Bank building at 2-8 South St. Equilibrium, which began operations in 2016, will continue operations at its current location at 22 Henry St. in Middletown. The City of Middletown is also home to Clemson Brewery, which redeveloped a former factory building at 22 Cottage St., also in the downtown district of the city.

City officials stated that Equilibrium plans to expand and centralize its can and bottle release operations at the South Street location, down the street from the Paramount Theater.

"The City of Middletown is happy that Equilibrium chose our downtown as their home and are thrilled that they chose to expand here as well," said Middletown Mayor Joseph DeStefano. "They have had such a positive influence on not just our downtown, but Middletown as a whole."

In July 2016, New York State awarded the City of Middletown $10-million in state funding to help revitalize its downtown district as part of Gov. Cuomo's Downtown Revitalization Initiative.

Maria Bruni, director of economic and community development for the City of Middletown, said the brewery's expansion will create more jobs, repurpose a former bank building and "continue to make Middletown a destination."

The City of Middletown acquired the TD Bank building in 2011 for $500,000. The city will be selling the building and a portion of the area behind the building to Equilibrium for $650,000. At press time, the transaction was to go before the city's Board of Estimate and City Council for approvals.

Another major industry initiative announced this year was the agreement between the Culinary Institute of America in Hyde Park and Asahi Shuzo Co.,

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'Live, Play, Work Model is Alive And Well in Westchester County

By John Jordan

NEW YORK—In its second major real estate event in April, the Hudson Gateway Association of Realtors hosted a panel discussion focused on Westchester County at the 10th annual New York City Real Estate Expo held on April 18 at the New York Hilton Midtown.

The afternoon program entitled "Westchester—Opportunity Knocks" was moderated by Westchester County Executive George Latimer. The panelists for the roundtable were: Paul Adler, Esq., chief strategy officer, Rand Commercial; Dr. Marsha Gordon, president and CEO of the Business Council of Westchester; Sarah Jones-Maturo, president of RM Friedland and Robert P. Weisz, CEO of the RPW Group.

The event was geared at promoting Westchester County as a business location to New York City real estate professionals. The Business Council of Westchester's Gordon gave an overview of the chief attributes that make Westchester a destination for business, including easy access to New York City, talented workforce, strong educational institutions and quality of life.

She and other members of the panel noted the significant investment in transit-oriented development taking place in Mount Vernon, Yonkers, New Rochelle, White Plains, Peekskill and other smaller communities that are featuring rental apartments and other uses that are attracting both young professionals and empty nesters. Gordon also told the more than 100 attendees of the program that the biotech and heath care sectors are "remaking" the Westchester economy.

"The 'Live, Work and Play' Model is alive and well in Westchester," she noted.

Weisz said that the Westchester County office market is currently the strongest it has been in the last 20 years and he believes a good part of its strength is due to the multifamily development now taking place in the county that will continue to attract the qualified workforce businesses desire.

Adler said simply that Westchester's "intellectual capital" is in fact the county's "greatest asset."

PHOTO BY JOHN VECCHIOLLA

From left, Robert P. Weisz, CEO of the RPW Group; Sarah Jones-Maturo, president of RM Friedland; Realtor Leah Caro; Moderator Westchester County Executive George Latimer; Dr. Marsha Gordon, president and CEO of the Business Council of Westchester and Paul Adler, Esq., chief strategy officer, Rand Commercial.

Craft Brewing Industry's Growth Continues

Continued from previous page

Ltd., maker of world-renowned DASSAI premium Junmai Daiginjo sake.

At the Feb. 22nd announcement, Asahi Shuzo announced it would build its first U.S. brewery in less than a mile from the CIA campus, becoming the first Japanese sake producer to set down stakes on the East Coast.

Asahi Shuzo will also be collaborating with the CIA to further the education and awareness of sake within the United States. The CIA—with the support of Asahi—will be developing curriculum, certification programs, workshops, and special events and tastings.

"When looking for a site to build our first U.S. brewery, we knew we wanted to differentiate ourselves from other sake brewers," says Asahi Shuzo Chairman Hiroshi Sakurai. "The proximity to the CIA, located in the heart of the Hudson Valley, is an ideal fit. We are excited to cultivate this new relationship."

The CIA and Asahi Shuzo are also going to seek research and development opportunities to further identify ways in which sake and the by-product from the sake-making process can be used to expand food flavors and culinary techniques, along with the potential for new lines of sake-based products.

The brewery—located at the corner of Route 9 and St. Andrew's Road—is to begin construction in spring 2018, with a scheduled opening in early 2019. The brewery will total 52,500 square feet, including a retail space, and will be open for public tours. In addition to several company employees who will relocate from Japan to the Hudson Valley, the facility will create at least 32 new local jobs, the company stated. At full capacity, the brewery will produce 332,000 gallons of sake a year. Asahi Shuzo said it is investing more than $28 million in the project.

"We are excited that Asahi Shuzo has selected Dutchess County for the location of its U.S.-based sake brewery. From fine foods, to craft beer, wines, and distilled spirits, Dutchess County has become a food and beverage destination," Dutchess County Executive Marcus Molinaro said. "Now, CIA students and visitors alike will have firsthand access to a working sake brewery. The economic impact through this project, with the addition of new jobs and increased tourism, will not only benefit Hyde Park, but all the surrounding communities."

TOP FIVE TEAMS by Gross Income Commission

1

The Berkowitz Marrone Team

2

The Strong Oestreich Team

3

The Sarlo Sales Team

4

The DeBellis Team

5

The Oliveira Team

TOP FIVE AGENTS by Gross Income Commission

1

Margaret Harrington

2

Glorianne Mattesi

3

Sally Slater

4

Eileen McGrath

5

Edi Giguere

TOP FIVE TEAMS by Transactions

1

The Berkowitz Marrone Team

2

The Oliveira Team

3

The DeBellis Team

4

The Strong Oestreich Team

5

The Herman Team

TOP FIVE AGENTS by Transactions

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Margaret Harrington

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3

Vincent Vetrano

4

Eileen McGrath

5

Nino Gjeloshaj

PINNACLE AWARD


The Berkowitz Marrone Team

PLATINUM AWARD


Margaret Harrington


Glorianne Mattesi


The Oliveira Team


The Sarlo Sales Team


The Strong Oestreich Team

GOLD AWARD


The DeBellis Team


Sally Slater

ROOKIE OF THE YEAR


Christopher Cortez

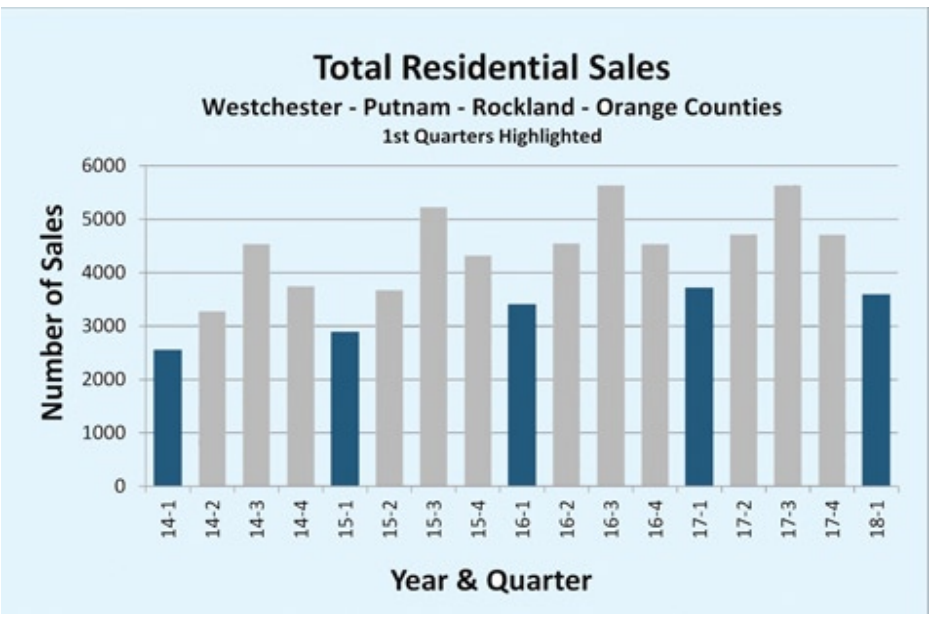
HUDSON VALLEY REAL ESTATE REPORT

Falling Residential Inventory Continues to Put Downward Pressure on Home Sales in Hudson Valley

Staff Report

WHITE PLAINS—Sales of residential housing during the first quarter of 2018 in the lower Hudson Valley market served by the Hudson Gateway Multiple Listing Service, while still strong when compared to the last several years, were flat to somewhat lower as compared to the first quarter of 2017.

Sale prices continued to strengthen in all four counties in the region while the days on market were down, a clear indication that the continuing erosion in inventories is negatively affecting sales activity while putting upward pressure on prices, according to the "2018 First Quarter Residential Real Estate Sales Report for Westchester, Putnam, Rockland and Orange Counties, New York" report authored by the Hudson Gateway Multiple Listing Service Inc.



Inventory of a single-family residence was down 7.3% in Westchester, 12% in Rockland, 21.5% in Putnam and 17.1% in Orange County as compared to the first quarter of 2017.

Putnam County, which is the least populous of the counties in the region, actually had an overall increase of 7.2% in residential sales as well as the largest percentage increase in price (9.4%) for a single-family home. This translates to a median price of $323,750 as compared to $296,000 for the first quarter of 2017.

Westchester County, the most populous of the counties in the region, experienced an overall drop of 2.3% in residential sales. This seemed to be more in keeping with activity in the region at large. Co-op sales in Westchester, however, continue to be resilient and, in fact, increased by 1.1% for the quarter while sales of a single-family residential home totaled 1,034, a decrease of 5.6% over the first quarter of 2017. Nonetheless the median sale price for a single-family residence in Westchester rose 2.2% to $613,250 from $600,000 in first quarter of 2017.

Rockland County experienced the largest decrease in residential sales in the region with a drop of 13.7%, the only double-digit change in the region. The median sale price of a single-family residence in Rockland rose 2.4% to $435,000, the second highest median price in the region. In Orange County, sales of a single-family residence dropped a minuscule 0.5% while single-family home sale prices rose 4.3% to a median of $240,000 from the previous year. The median sale price of a single-family home in Orange County at the end of the first quarter of 2009 was $310,000, which likely explains why Orange County is now experiencing some of the larger percentage gains in price in the four-county region.

First quarter sales for the region were largely the result of transactions negotiated during the last quarter of 2017, a period of uncertainty given that the Federal Tax Reform bill was actively being negotiated in Congress with no clear picture as to how the bill would affect real estate. This uncertainty could be a contributing factor, along with low inventory, to the flat sales numbers in most of the region in the first quarter.

Another possible dark cloud on the horizon is an increasingly volatile stock market. However, with mortgage rates remaining attractive, unemployment low, and economic development activity high in the region, the prospects for another healthy year for real estate sales in the region remain bright.

Editor's Note: The Hudson Gateway Multiple Listing Service, Inc. (HGMLS) is a subsidiary of the Hudson Gateway Association of Realtors, Inc. (HGAR). HGMLS's principal service area consists of Westchester, Putnam, Rockland and Orange counties. It also provides services to Realtors in the Bronx, Dutchess, Sullivan and Ulster counties. The reported transactions do not include all real estate sales in the area or all sales assisted by the participating offices but they are fairly reflective of general market activity.

HGMLS does not provide data on sub-county areas but persons desiring such data are invited to contact Realtor offices in the desired areas. Prior reports back to 1981 as well as current market information and a directory of Realtor members are available on the Association's website, www.hgar.com.

WESTCHESTER

WESTCHESTER - First Quarters 2015-2018					% Change
Property Type	2015 Q1	2016 Q1	2017 Q1	2018 Q1	2017-2018
NUMBER OF SALES					
Single Family Houses	926	1,024	1,095	**1,034**	-5.6%
Condominiums	245	282	262	**261**	-0.4%
Cooperatives	346	407	447	**452**	1.1%
2-4 Family	120	146	132	**145**	9.8%
Total	1,637	1,859	1,936	**1,892**	-2.3%
MEDIAN SALE PRICE					
Single Family Houses	595,000	570,000	600,000	**613,250**	2.2%
Condominiums	337,500	335,750	359,500	**350,000**	-2.6%
Cooperatives	135,000	146,000	143,000	**156,000**	9.1%
2-4 Family	409,250	409,000	443,750	**470,000**	5.9%
MEAN SALE PRICE					
Single Family Houses	822,666	770,960	815,301	**825,406**	1.2%
Condominiums	411,701	412,776	447,770	**431,292**	-3.7%
Cooperatives	168,816	174,487	167,219	**188,919**	13.0%
2-4 Family	401,338	419,052	446,311	**473,791**	6.2%
END OF QUARTER INVENTORY					
Single Family Houses	2,739	3,105	2,569	**2,382**	-7.3%
Condominiums	523	509	365	**367**	0.5%
Cooperatives	1,065	950	724	**586**	-19.1%
2-4 Family	379	292	197	**151**	-23.4%
Total	4,706	4,856	3,855	**3,486**	-9.6%

ORANGE

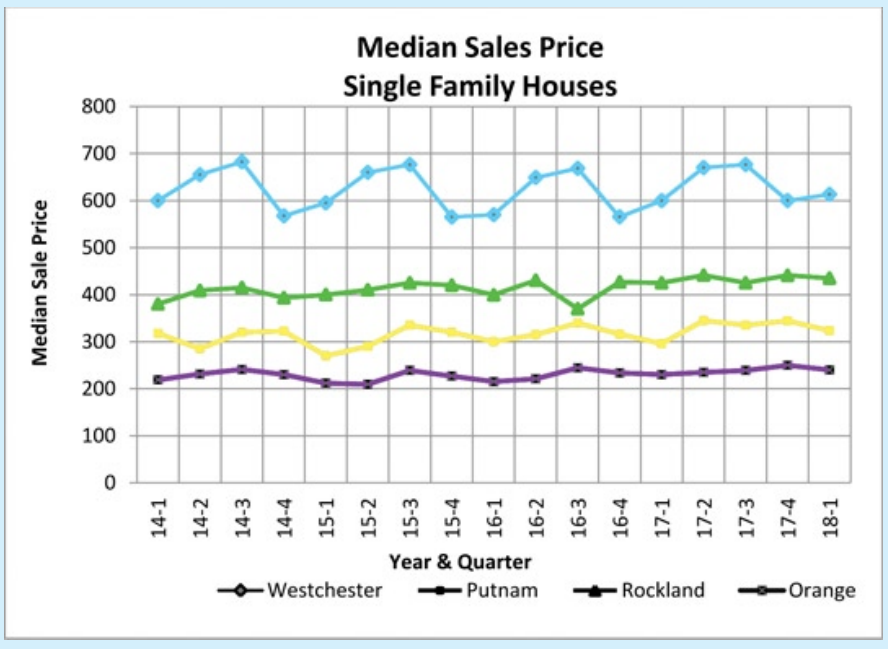
ORANGE - First Quarters 2015-2018					% Change
Property Type	2015 Q1	2016 Q1	2017 Q1	2018 Q1	2017-2018
NUMBER OF SALES					
Single Family Houses	517	685	767	**763**	-0.5%
Condominiums	59	83	93	**94**	1.1%
Cooperatives	3	3	4	**3**	-25.0%
2-4 Family	44	55	62	**53**	-14.5%
Total	623	826	926	**913**	-1.4%
MEDIAN SALE PRICE					
Single Family Houses	212,000	215,000	230,000	**240,000**	4.3%
Condominiums	155,000	145,000	149,000	**150,500**	1.0%
Cooperatives	57,000	65,500	70,000	**70,000**	0.0%
2-4 Family	70,000	67,000	142,400	**150,000**	5.3%
MEAN SALE PRICE					
Single Family Houses	227,589	231,100	247,274	**259,568**	5.0%
Condominiums	159,499	150,064	152,719	**160,905**	5.4%
Cooperatives	57,633	69,333	70,500	**83,333**	18.2%
2-4 Family	92,445	102,262	166,788	**175,512**	5.2%
END OF QUARTER INVENTORY					
Single Family Houses	2,338	2,248	1,791	**1,484**	-17.1%
Condominiums	225	204	162	**122**	-24.7%
Cooperatives	9	10	8	**2**	-75.0%
2-4 Family	175	207	159	**110**	-30.8%
Total	2,747	2,669	2,120	**1,718**	-19.0%

PUTNAM

PUTNAM - First Quarters 2015-2018					% Change
Property Type	2015 Q1	2016 Q1	2017 Q1	2018 Q1	2017-2018
NUMBER OF SALES					
Single Family Houses	166	213	209	**226**	8.1%
Condominiums	28	34	35	**31**	-11.4%
Cooperatives	1	2	1	**1**	0.0%
2-4 Family	5	6	5	**10**	100.0%
Total	200	255	250	**268**	7.2%
MEDIAN SALE PRICE					
Single Family Houses	270,000	300,000	296,000	**323,750**	9.4%
Condominiums	255,000	235,000	219,900	**236,000**	7.3%
Cooperatives	85,000	72,673	65,000	**58,000**	-10.8%
2-4 Family	275,000	202,500	280,000	**327,689**	17.0%
MEAN SALE PRICE					
Single Family Houses	306,725	350,219	322,396	**357,011**	10.7%
Condominiums	286,897	251,462	233,562	**254,609**	9.0%
Cooperatives	85,000	72,673	65,000	**58,000**	-10.8%
2-4 Family	260,900	233,333	280,900	**390,937**	39.2%
END OF QUARTER INVENTORY					
Single Family Houses	664	632	497	**390**	-21.5%
Condominiums	85	72	41	**40**	-2.4%
Cooperatives	9	2	2	**-**	-100.0%
2-4 Family	28	28	17	**16**	-5.9%
Total	786	734	557	**446**	-19.9%

ROCKLAND

ROCKLAND - First Quarters 2015-2018					% Change
Property Type	2015 Q1	2016 Q1	2017 Q1	2018 Q1	2017-2018
NUMBER OF SALES					
Single Family Houses	309	358	444	**360**	-18.9%
Condominiums	81	86	119	**124**	4.2%
Cooperatives	20	7	20	**15**	-25.0%
2-4 Family	20	15	22	**23**	4.5%
Total	430	466	605	**522**	-13.7%
MEDIAN SALE PRICE					
Single Family Houses	400,000	399,500	425,000	**435,000**	2.4%
Condominiums	215,000	196,500	220,000	**223,750**	1.7%
Cooperatives	50,750	56,000	65,000	**60,000**	-7.7%
2-4 Family	358,500	290,000	247,500	**395,000**	59.6%
MEAN SALE PRICE					
Single Family Houses	427,790	438,894	459,742	**486,140**	5.7%
Condominiums	235,106	226,417	255,015	**255,520**	0.2%
Cooperatives	60,393	71,571	95,003	**88,917**	-6.4%
2-4 Family	349,408	289,513	286,682	**419,652**	46.4%
END OF QUARTER INVENTORY					
Single Family Houses	1,036	1,004	832	**732**	-12.0%
Condominiums	260	285	225	**151**	-32.9%
Cooperatives	64	81	57	**46**	-19.3%
2-4 Family	63	74	35	**47**	34.3%
Total	1,423	1,444	1,149	**976**	-15.1%



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